

# Smartlink US Dollar Managed Fund

## October 2017



BLOOMBERG: AZUSMGD:IJ

### INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

### INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments (such as deposits), and 80-100% in the medium-or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period **3.47%**  
 Best Month **9.61%** Dec-08  
 Worst Month **-10.66%** Oct-08

#### Portfolio Breakdown

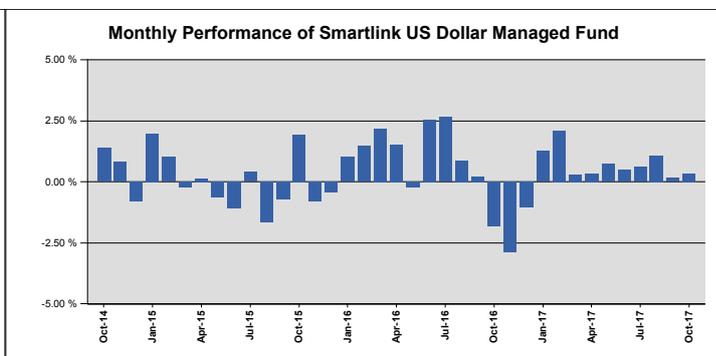
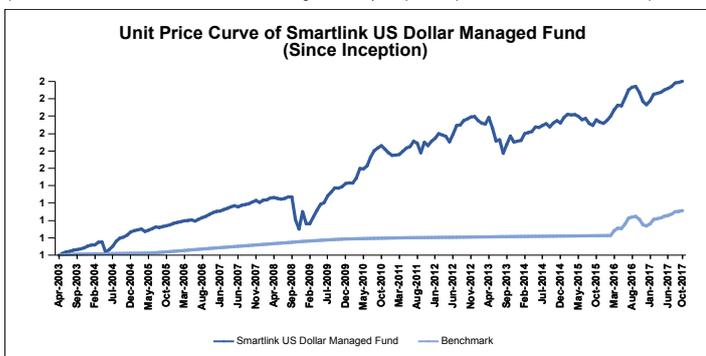
Treasury Bonds **78.40%**  
 Govt. Related Bond **18.84%**  
 Cash/Deposit **2.76%**

#### Top Five Bonds Holding

Pertamina 2022 **15.10%**  
 RI0038 **6.26%**  
 RI0521 **5.67%**  
 RI0727 **5.43%**  
 RI0124 **5.04%**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink US Dollar Managed Fund	<b>0.34%</b>	<b>1.59%</b>	<b>3.46%</b>	<b>3.47%</b>	<b>14.53%</b>	<b>7.65%</b>	<b>112.13%</b>
Benchmark*	<b>0.40%</b>	<b>1.77%</b>	<b>3.76%</b>	<b>4.56%</b>	<b>14.68%</b>	<b>8.29%</b>	<b>28.64%</b>

\*80% Bloomberg USD Emerging Market Indonesia Sovereign (BEMSID) Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank  
 (Benchmark assessment, before Mar 2016: Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)



### KEY FUND FACTS

**Fund Size (in mio USD)** : USD 56.88  
**Risk Profile** : Moderate  
**Launch Date** : 07 Apr 2003  
**Fund Currency** : United States Dollar  
**Managed by** : PT Asuransi Allianz Life Indonesia

**Pricing Frequency** : Daily  
**Price per Unit (As of Oct 31, 2017)** : USD 2.0152  
**Bid-Offer Spread** : 5.00%  
**Management Fee** : 1.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Oct 2017 inflation at +0.01% mom (vs consensus inflation +0.10%, +0.13% in Sep 2017). On yearly basis, inflation was lower to +3.58% yoy (vs consensus inflation +3.68%, +3.72% in Sep 2017). Core inflation was printed at +3.07% yoy vs consensus inflation +3.08%, +3.00% in Sep 2017). Inflation was mainly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 18 Oct 2017, Bank Indonesia maintained the BI 7-day Reverse Repo Rate at 4.25%, while maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 3.50% and 5.00% respectively. Rupiah depreciated by -0.59% to 13,572/USD at end of Oct 2017 from 13,492/USD in previous month. Indonesia economic growth in third quarter 2017 was increased by 3.18% QoQ (5.06% YoY compared to previous quarter at 5.01% YoY) which largely led by growth in other services. By expenditure, exports of goods and services components were the main drivers. Trade balance booked surplus of USD 1.76bn (non-oil and gas surplus USD 2.26bn, oil and gas deficit USD 0.50bn) in Sep 2017. Export rose by +15.60% YoY mostly driven by mineral fuel, while imports rose by +13.13% YoY. Indonesia's foreign reserves decreased USD 2.85bn to USD 126.55bn in Oct 2017 from USD 129.40bn in Sep 2017. The decrease was primarily attributable to foreign debt repayment and Rupiah stabilization also related to the reduction of foreign exchange placement in central bank for the need of payment.

USD government bond yields closed in mixed movement across the curve in Oct 2017 however relatively resilient. No significant changes in the term of yield movement despite the stronger USD currency and slightly higher UST yield. Discussions in regards to the nomination of the new Fed Chair between Powell and Taylor due to Fed Fund Rate outlook took market players attention which Trump finally nominate Powell. Indonesia's CDS 5yr level improved from 104/107 to 94/95. The 5Y yield Oct 2017 ended -2bps lower to 2.80% (2.82% in Sep 2017), 10yr tenor ended +2bps higher to 3.56% (3.54% in Sep 2017), and 30yr ended -1bps lower to 4.46% (4.47% in Sep 2017).

In regards to our recent portfolio we maintain the strategy.

#### Disclaimer:

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